

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7480**

**BILL NUMBER:** HB 1855

**NOTE PREPARED:** Jan 4, 2003

**BILL AMENDED:**

**SUBJECT:** Municipal sewer fees.

**FIRST AUTHOR:** Rep. Hinkle

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill provides that a municipal ordinance setting fees for sewer service that charges fees to real property located outside the municipality that are not charged to real property located within the municipality expires after a defined period. The bill provides that a municipality may not adopt another ordinance to charge different fees inside and outside the municipality except to cover real property outside the municipality to which new sewer service is extended.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** The proposal places a time limit of no more than twenty years during which a governmental entity may collect a surcharge to cover the costs of installing and implementing sewers for a non-annexed area. The proposal also provides that existing ordinances that allow a governmental entity to collect a surcharge to cover the costs of installing and implementing sewers for a non-annexed area expires ten years after the adoption of the ordinance. The proposal requires that all users of the system must pay an equal fee for use and maintenance of the system. The impact of this proposal, if any, is indeterminable and will depend on existing local arrangements and systems.

**State Agencies Affected:**

**Local Agencies Affected:** Municipalities.

**Information Sources:**

**Fiscal Analyst:** Bernadette Bartlett, 317-232-9586